

FINANCIAL INSTITUTIONS

Budget Summary							
Fund	2014-15 Base Year Doubled	2015-17 Governor	2015-17 Jt. Finance	2015-17 Legislature	2015-17 Act 55	Act 55 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
PR	\$36,762,800	\$9,313,800	\$37,165,700	\$37,165,700	\$37,165,700	\$402,900	1.1%

FTE Position Summary						
Fund	2014-15 Base	2016-17 Governor	2016-17 Jt. Finance	2016-17 Legislature	2016-17 Act 55	Act 55 Change Over 2014-15 Base
PR	141.54	0.00	139.54	139.54	139.54	- 2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

PR	\$491,800
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Governor/Legislature: Adjust the agency's base budget for: (a) turnover reduction (-\$270,900 annually); (b) full funding of continuing position salaries and fringe benefits (\$940,600 annually); and (c) full funding of lease and directed moves costs (-\$423,800 annually).

2. TRANSFER ALL DFI FUNCTIONS TO DFIPS

<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
Funding	Positions	Funding	Positions	Funding	Positions
PR - \$27,851,900	- 121.54	\$27,851,900	121.54	\$0	0.00

Governor: Delete \$9,313,500 in 2015-16 and \$18,538,400 in 2016-17, and delete 123.54 positions in 2015-16 and 121.54 positions in 2016-17 to reflect the elimination of Department of Financial Institutions (DFI). Transfer all DFI functions, funding, and positions to the Department of Financial Institutions and Professional Standards (DFIPS), including assets and liabilities, positions and incumbent employees, tangible personal property, pending matters, contracts,

rules, orders, gifts, and grants. Specify that, these provisions would be effective on January 1, 2016, or the day after publication of the bill, whichever is later. Provide that, all positions and all incumbent employees in the classified service of the state civil service holding those positions in DFI, as determined by the Secretary of Administration, are transferred to DFIPS on January 1, 2016. Employees transferred under the provision would have the same rights and status in DFIPS that they enjoyed in DFI immediately before the transfer. Transferred employees who have attained permanent status would not be required to serve a probationary period.

Joint Finance/Legislature: Delete provision.

3. MANDATORY ELECTRONIC FILING

	Funding	Positions
PR	- \$88,900	- 2.00

Governor/Legislature: Delete \$88,900 and 2.0 positions in 2016-17 from DFI's general program operations appropriation. It is anticipated that both deleted positions would be operations program associates which would become redundant due to efficiencies from requiring that all filings with DFI be made electronically.

Specify that, DFI may require any filing to be made electronically in a manner prescribed by the Department. If DFI requires that a filing be made electronically, it could require that any fee associated with the filing be paid using a suitable method prescribed by the Department. "Filing" would mean the submission to the Department of any form, instrument, application, report, notice, or other information required or permitted to be submitted to the Department for retention in its records.

Permit the Department to waive the electronic filing requirement if the person affected by the requirement requests a waiver and DFI determines, in its discretion, that the requirement would cause the person undue hardship. The request would have to be in writing, in a manner prescribed by DFI, and would have to clearly state why the requirement would cause undue hardship.

[Act 55 Section: 3570]

4. REDUCE ANNUAL TRANSFER OF REVENUES TO THE SECRETARY OF STATE [LFB Paper 580]

Governor/Legislature: Decrease the amount of funds transferred from DFI's general program operations appropriation to the Secretary of State's (SOS) program fees appropriation by \$175,000, annually.

Under current law, an annual transfer of \$325,000 is made from DFI's general program operations appropriation to the SOS's program fees appropriation. Under the Governor's proposal, this amount would be reduced to \$150,000, annually.

[Act 55 Section: 497m]

5. ELIMINATE LONG-TERM VACANCIES [LFB Paper 290]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- 2.00	2.00	0.00

Governor: Delete 2.0 positions annually to reflect the elimination of long-term vacant positions under the bill. Position reductions are associated with positions that have been vacant for 12 months or more (1.0 Financial Examiner and 1.0 Operations Program Associate).

Joint Finance/Legislature: Delete provision.

6. TRANSFER FUNCTIONS AND DELETE POSITIONS FOR DOA SHARED AGENCY SERVICES [LFB Paper 111]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- 5.00	5.00	0.00

Governor: Delete 5.0 positions from DFI's general program operations appropriation for a shared agency services pilot program under the Department of Administration (DOA). Funding associated with the positions (\$320,700 PR annually) would not be reduced, but rather reallocated to supplies and services to pay shared agency services charges assessed by DOA. The bill does not specify that incumbent employees would be transferred to DOA.

Transfer the following functions to DOA under the pilot program: (a) human resources services; (b) payroll services; (c) finance services; (d) budget functions; and (e) procurement services. Under the bill, DOA would be authorized to assess agencies for services provided under the pilot program in accordance with a methodology determined by DOA.

Joint Finance/Legislature: Delete provision. [See "Administration -- Transfers."]

7. PROVISION OF INFORMATION TECHNOLOGY SERVICES BY DEPARTMENT OF ADMINISTRATION [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- 11.00	11.00	0.00

Governor: Require that all information technology services for DFI be provided by the Department of Administration (DOA).

Delete 11.0 positions annually from DFI's general program operations appropriation to transfer responsibility for all information technology services to DOA. Funding associated with the positions (\$1,269,100 annually) would not be reduced, but rather reallocated to supplies and

services to pay charges by DOA for information technology services. The bill does not specify that incumbent employees would be transferred to DOA.

On the effective date of the bill, specify that the assets and liabilities of DFI related to information technology, as determined by the Secretary of DOA, would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, relating to information technology would transfer to DOA. Further, all information technology contracts would remain in effect and would transfer to DOA.

Joint Finance/Legislature: Delete provision. [See "Administration -- Transfers."]

8. GPR-EARNED REESTIMATE [LFB Paper 291]

GPR-REV	\$5,600,000
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Joint Finance/Legislature: Reestimate the year-end lapse from DFI's general program operations appropriation at \$70,125,000 in 2015-16 and at \$70,005,300 in 2016-17. As compared to the bill, the reestimate is higher by \$2,800,000 in each year. Under current law, DFI is funded with fees and assessments imposed on financial institutions and individuals the Department regulates. These funds are deposited as program revenue in DFI's general program operations appropriation. Any balance in this appropriation at the close of a fiscal year lapses to the general fund.

9. EXPAND PAYDAY LENDER AUTHORITY

Joint Finance/Legislature: Expand the types of financial products and services a payday loan licensee may conduct, and permit others to conduct, to include: (a) the sale of insurance, annuities, and related products; (b) services commonly offered by a currency exchange; and (c) any financial or consumer finance services subject to regulation by statute or rule. Further, specify that a payday loan licensee may sell merchandise and conduct other business at the place of business specified in the payday loan license provided that the licensee holds any applicable license, permit, or other approval required by law to sell the merchandise or conduct the other business.

Veto by Governor [F-89]: Delete provision.

[Act 55 Vetoed Sections: 3443f, 3443h, 3443j, and 3443m]

10. TRANSFER RAILROAD RECORDS FROM DFI TO OFFICE OF THE COMMISSIONER OF RAILROADS

Joint Finance/Legislature: Transfer the non-uniform commercial code Wisconsin railroad records from DFI to the Office of the Commissioner of Railroads (OCR). Specify that every conveyance or lease, deed of trust, mortgage or satisfaction made by any railroad corporation be acknowledged, filed with and maintained with OCR and that OCR collect all fees associated with such filings.

[Act 55 Sections: 3527d thru 3527h, and 9314(3f)]